



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

March 30, 2017

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance,
Air Resources Board**

Implementation of Oil and Gas Methane Regulation—It is requested that Item 3900-001-3046 be increased by \$285,000 and Item 3900-001-3237 be increased by \$2,318,000 and 2 positions to implement and enforce the regulation to reduce methane emissions from oil and gas operations.

Continued Implementation and Program Oversight for Proposition 1B—It is requested that Item 3900-001-6054 be increased by \$826,000 and Item 3900-101-6054 be added in the amount of \$1,202,000 for support and implementation of various projects funded by Proposition 1B. It is also requested that Item 3900-495 be added to revert \$20 million unencumbered bond funds for support (see Attachment 1).

Implementation of the 3.0 Liter Volkswagen Consent Decree—It is requested that Item 3900-102-0115 be added in the amount of \$25 million to provide authority to spend penalty funds that will be received as part of the Volkswagen settlement agreement. These funds will support the zero-emission vehicle related aspects of the Enhanced Fleet Modernization Program Plus-Up program or other similar vehicle replacement programs, consistent with the Consent Decree (see Attachment 2). It is also requested that provisional language be included to make the funds available for encumbrance or expenditure through June 30, 2019.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Ellen Moratti, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL COHEN

Director

By:

/s/ Amy M. Costa

AMY M. COSTA

Chief Deputy Director

Attachment

cc: Honorable Ricardo Lara, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Ms. Cyndi Hillery, Staff Director
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Eric Jarvis, Assistant Secretary, Fiscal and Administrative Programs, California Environmental Protection Agency
Mr. Richard Corey, Executive Officer, Air Resources Board
Ms. Edie Chang, Deputy Executive Officer, Air Resources Board
Ms. Alice Stebbins, Division Chief, Administrative Services Division, Air Resources Board
Ms. Pam Biggins, Branch Chief, Budget, Contracts, and Grants Branch, Air Resources Board
Ms. Kelley Moss, Budget Officer, Air Resources Board

3900-495—Reversion, State Air Resources Board. As of June 30, 2017, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

6054—California Ports Infrastructure, Security, and Air Quality Improvement Account, Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006

(1) Item 3900-001-6054, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014). Up to 20,000,000 appropriated in Program 3500—Mobile Source.

3900-102-0115—For local assistance, State Air Resources Board, payable from the
Air Pollution Control Fund25,000,000

Schedule:

(1) 3500-Mobile Source.....25,000,000

Provisions:

1. The funds appropriated in this item shall be used to support the zero-emission vehicle related aspects of the Enhanced Fleet Modernization Program Plus Up program, or the zero-emission vehicle related aspects of similar vehicle replacement programs.
2. The funds appropriated in this item shall be available for encumbrance until June 30, 2019, and be available for liquidation of encumbrances until June 30, 2021.
3. The amount appropriated in Schedule (1) includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.



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Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 3900-301-0668, and Addition of Item 3900-301-0115,
Capital Outlay, Air Resources Board**

ARB Southern California Consolidation Project (Issue 300)—It is requested that Item 3900-301-0115 be added in the amount of \$82,624,000 and Item 3900-301-0668 be decreased by the same amount to reflect a partial shift of debt financing to cash funding for the construction phase of this project. As part of a court settlement with Volkswagen, the Air Resources Board will receive approximately \$154 million in civil penalties. Of this amount, \$82,624,000 is proposed for this project, which represents the Air Pollution Control Fund's share of the project's cost. By reducing the amount financed for this project, the state will reduce total debt service costs by an estimated \$66 million (see Attachment 1).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Andrea Scharffer, Principal Program Budget Analyst, at (916) 446-9694.

MICHAEL COHEN

Director

By:

/s/ Amy M. Costa

AMY M. COSTA

Chief Deputy Director

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Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
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Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Eric Jarvis, Assistant Secretary, Fiscal and Administrative Programs, California
Environmental Protection Agency
Ms. Edie Chang, Deputy Executive Officer, Air Resources Board
Ms. Alice Stebbins, Division Chief, Administrative Services Division, Air Resources Board
Ms. Pam Biggins, Branch Chief, Budget, Contracts, and Grants Branch, Air Resources Board
Mr. Kelly Moss, Manager, Budget Section, Air Resources Board



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Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 3930-001-0106, and Addition of Item 3930-495, Support,
Department of Pesticide Regulation**

Pesticide Registration Data Management System Funding Realignment—It is requested that Item 3930-001-0106 be increased by \$3,022,000 and provisional language be added to support the development of the Pesticide Registration Database Management System, an integrated electronic system for pesticide registration (see Attachment 1). Additionally, it is requested that Item 3930-495 be added to revert unencumbered project funds (see Attachment 2). Funding was originally provided for this project in fiscal year 2015-16, but due to several project delays it is necessary to revert the unencumbered project funds and provide a new appropriation with an extended encumbrance or expenditure period through June 30, 2021. This request shifts expenditure authority for future years, but does not reflect an increase in total project costs.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Ellen Moratti, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL COHEN
Director
By:

/s/ Amy M. Costa

AMY M. COSTA
Chief Deputy Director

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Attention: Mr. Pedro R. Reyes, Chief Consultant
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Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Eric Jarvis, Assistant Secretary, Fiscal and Administrative Programs, California Environmental
Protection Agency
Mr. Brian Leahy, Director, Department of Pesticide Regulation
Ms. Anise Severns, Assistant Director, Administrative Services Division, Department of Pesticide
Regulation
Mr. Lu Saephanh, Branch Chief, Fiscal Services and Business Operations Branch, Department of
Pesticide Regulation
Ms. Leslie Ford, Budget Officer, Department of Pesticide Regulation

Add the following provision to Item 3930-001-0106:

4. Of the funds available in this item, \$3,422,000 is available to fund the Pesticide Registration Data Management System and shall be available for encumbrance until June 30, 2021.

3930-495—Reversion, Department of Pesticide Regulation. As of June 30, 2017, the balances specified below, of the appropriations provided in the following citations shall revert to the fund balances of the funds from which the appropriations were made.

0106—Department of Pesticide Regulation Fund

- (1) Item 3930-001-0106, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015), as reappropriated by Item 3930-490, Budget Act of 2016 (Ch. 23, Stats. 2016). Up to \$1,579,000 appropriated in Program 3540010—Pesticide Registration.
- (2) Item 3930-001-0106, Budget Act of 2016 (Ch. 23, Stats. 2016). Up to \$1,843,000 appropriated in Program 3540010—Pesticide Registration.



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Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 3940-001-0193 and Addition of Item 3940-001-8110,
Support, State Water Resources Control Board**

Funding for Fish Consumption Advisories—Technical Adjustment—It is requested that Item 3940-001-0193 be increased by \$381,000 to offset a corresponding decrease to the Cleanup and Abatement Account within the State Water Quality Control Fund, which is continuously appropriated. The fund shift is a correction to a proposal included in the Governor's Budget, for which a more appropriate fund source has been identified.

Open and Transparent Water Data Act—It is requested that Item 3940-001-8110 be added in the amount of \$289,000 to implement Chapter 506, Statutes of 2016 (AB 1755), Open and Transparent Water Data Act which requires the State Water Resources Control Board to help integrate existing water and ecological data information from multiple databases into a statewide data platform. This request is part of a combined proposal with the Department of Fish and Wildlife and the Department of Water Resources.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Amanda Martin, Principal Program Budget Analyst, at (916) 324-0043.

MICHAEL COHEN

Director

By:

/s/ Amy M. Costa

AMY M. COSTA

Chief Deputy Director

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Attention: Mr. Pedro R. Reyes, Chief Consultant
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Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Eric Jarvis, Assistant Secretary, Fiscal and Administration, California Environmental Protection
Agency
Mr. Tom Howard, Executive Director, State Water Resources Control Board
Ms. Sue Montoya, Budget Officer, State Water Resources Control Board



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Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Addition of Budget Bill Item 3960-491, Capital Outlay, Department of Toxic Substances Control

Stringfellow Pretreatment Facility (Issue 300)—It is requested that Item 3960-491 be added to extend the liquidation period for the construction phase of this project (see Attachment 1). Construction of this project is complete; however, commissioning and programming has been delayed which creates the possibility of a delay in payments. The extension of liquidation is necessary so the Department of Toxic Substance Control can continue to make payments for this project.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Andrea Scharffer, Principal Program Budget Analyst, at (916) 445-9694.

MICHAEL COHEN
Director
By:

/s/ Amy M. Costa

AMY M. COSTA
Chief Deputy Director

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Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Barbara A. Lee, Director, Department of Toxic Substance Control
Ms. Francesca Negri, Chief Deputy Director, Department of Toxic Substance Control
Mr. Andrew Collada, Deputy Director, Department of Toxic Substance Control
Ms. Sara Murillo, Chief, Finance Planning Branch, Department of Toxic Substance Control
Ms. Thuong Pham, Budget Officer, Department of Toxic Substance Control

3960-491—Reappropriation, Department of Toxic Substances Control. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations are extended to June 30, 2018.

0668—Public Buildings Construction Fund Subaccount

(1)Item 3960-301-0668, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012)

(1)12.18.STF-Stringfellow Pretreatment Plant Site—Construction



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Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 3970-001-0387, Support, Department of Resources
Recycling and Recovery**

It is requested that Item 3970-001-0387 be increased by \$50,000 for a one-time technical adjustment to allow the Department of Resources Recycling and Recovery to expend funding received as part of a legal settlement agreement. The agreement requires the funding to support research into compostable plastic materials.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Ellen Moratti, Principal Program Budget Analyst, at (916) 341-0043.

MICHAEL COHEN
Director
By:

/s/ Amy M. Costa

AMY M. COSTA
Chief Deputy Director

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Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Matthew Rodriguez, Secretary, California Environmental Protection Agency
Mr. Eric Jarvis, Assistant Secretary, California Environmental Protection Agency
Mr. Scott Smithline, Director, Department of Resources Recycling and Recovery
Mr. Ken DaRosa, Chief Deputy Director, Department of Resources Recycling and Recovery
Mr. Tom Estes, Deputy Director, Administration, Department of Resources Recycling and Recovery
Ms. Sarah Keck, Chief, Fiscal Service Branch, Department of Resources Recycling and Recovery
Ms. Olga Garti, Budget Officer, Department of Resources Recycling and Recovery